

A D D E N D U M

***Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554***

In the matter of)	
)	
North American Numbering Council)	NSD File No. L-98-134
Report Concerning Telephone Number)	
Pooling and Other Optimization Measures)	

To: The Chief, Common Carrier Bureau

JOINT COMMENTS ON THE NANC REPORT

CENTENNIAL CELLULAR CORPORATION, CENTURYTEL WIRELESS, INC.,
RFB CELLULAR, INC., THUMB CELLULAR LIMITED PARTNERSHIP and TRILLIUM
CELLULAR CORPORATION (collectively the Joint Cellular Carriers or JCCs)
respectfully submit their joint comments in response to the Public Notice, DA 98-2265, released
November 6, 1998 by the Common Carrier Bureau requesting comments on the report entitled
Number Resource Optimization Working Group Modified Report to the North American
Numbering Council on Number Optimization Methods (hereinafter the NANC Report or the
Report).

The position of the JCCs, in summary, is that through widespread use of Extended Local
Calling Areas or ELCAs,¹ the cellular industry already is a highly efficient user of NXX
codes, in contrast to the ILEC industry. Nonetheless, the Commission should clearly understand
that, contrary to the premise of the NANC Report and the Bureau's public notice, many ILECs
such as those owned by Ameritech Corporation are systematically *eliminating* ELCAs for
cellular and other wireless carriers, thereby forcing wireless carriers to become inefficient users

¹ ELCAs are also widely known as Reverse Billing interconnection arrangements; and the NANC Report also refers to them as Reverse toll, ALATA-wide calling plans and the land-to-mobile option. (NANC Report at &2.1). For

of NXX codes and thwarting this Commission=s attempts to promote more efficient use of such codes. Prompt and decisive regulatory intervention is thus urgently needed. At a minimum, the Commission should issue a Astandstill= order preventing ILECs from withdrawing any existing ELCAs pending a final decision in this proceeding. Moreover, in its final decision herein the Commission should require any ILEC operating a tandem office to provide ELCAs to requesting carriers for all end offices subtending that tandem.

In support of their position herein, the Joint Cellular Carriers respectfully state:

Introduction and Background

In its Public Notice, the Bureau keynoted that the Arapid growth in demand for new area codes is a symptom of underlying inefficiencies in the manner numbering resources are currently allotted= and that Aunless mitigated, could undermine the long-term viability of the North American Numbering Plan=. (Public Notice at pp. 1-2). The Bureau observed that A[t]his situation is largely attributable both to the inefficient means by which telephone numbers are currently allocated to service providers= as well as to Arecent, evolving fundamental changes to the structure of the telecommunications marketplace=. (*Id.* at p. 2).

The Bureau pointed out that adding new area codes Acreates inconvenience and costs for consumers, requires the telecommunications industry to perform network upgrades, and places a heavy burden on scarce public utility commission resources.= (*Id.*). Accordingly, the objective of this proceeding is to Aimplement measures intended to make more efficient use of the existing telecommunications numbering resource in the United States= and to Adevelop a long-term solution that will minimize customer inconvenience and societal costs, forestall or eliminate

ity they will be referred to herein as AELCAs=.

the premature exhaust of the NANP, and slow the introduction of new area codes. (Id.).

One of the important measures cited in the NANC Report and in the Public Notice for optimizing the use of NXX codes is implementing Extended Local Calling Areas or ELCAs. These are interconnection arrangements entered into between ILECs and wireless carriers that enable landline calling parties to reach a mobile customer with a local call to a single telephone number from anywhere in the wireless carrier's service area.

The service areas of wireless carriers typically cover multiple landline exchange areas and rate centers. Therefore, absent an ELCA, either some landline callers within the wireless local service area would *always* incur landline toll charges when calling wireless customers, or the wireless customers must enter into cumbersome and confusing service arrangements, such as maintaining multiple telephone numbers for the same mobile unit, in order to be accessible by a local call throughout the wireless local service area.

Either alternative is obviously undesirable from a customer service standpoint, and, as a consequence, the wireless industry for many years has attempted to negotiate interconnection arrangements with the LEC industry affording their customers the benefits of ELCAs. *See, e.g., Domestic Public Land Mobile Radio Service*, 63 F.C.C.2d 87, 113-114 (1977) (New Dial Paging Service Plan); *Memorandum of Understanding*, 80 F.C.C.2d 352, 378-379 (1980) (Single Number Access Plan or SNAP).

The obvious benefit of ELCAs from a number utilization standpoint is that the wireless carrier can assign numbers from a single NXX to cover the ELCA, which typically covers several ILEC rate centers; thus, wireless carriers may only require as many NXXs as are necessary to serve their customers, rather than obtaining one NXX per [ILEC] rate center. (Public Notice at p. 3). In fact, it is fair to say that due to the relatively widespread use of

ELCAs by cellular and other wireless carriers heretofore, the wireless industry historically has been highly efficient in its use of NXX codes and is far more efficient than the ILEC industry.

To date, ELCAs have been available only to wireless carriers; and the Report observes that A[p]ast experience with ELCAs has shown that regulatory intervention is sometimes necessary to ensure ubiquitous availability of ELCA in a given ELCA service area.≡ (NANC Report at ¶2.1).

The Michigan Experience

Unfortunately, the Commission needs to be aware that if the ILEC industry has its way, the historical efficiency with which wireless carriers have used NXX codes will change and change with a vengeance. In this regard, the NANC Report does not mention, much less fully capture, that many ILECs -- including but not limited to those owned by Ameritech Corporation -- are now in the midst of *systematically eliminating ELCAs altogether*. Ameritech has decreed the end of ELCAs in each of the five states it serves, and the Joint Cellular Carriers are parties to litigation in Michigan seeking to prevent Ameritech from doing so. The experience of the JCCs before the Michigan Public Service Commission is particularly relevant and instructive here, and underscores the vital necessity of prompt and decisive intervention by this Commission in order to assure the continued availability of ELCAs, and their NXX code efficiencies, for cellular and other telecommunications carriers which may benefit from them.

ELCAs have been available to wireless carriers in Michigan since Tariff M.P.S.C. No. 13 issued by Michigan Bell Telephone Co. became effective as a result of a settlement agreement concerning interconnection matters was approved by the Michigan PSC on September 27, 1988, in Case No. U-9269. Substantially all of the cellular industry in Michigan not affiliated with Ameritech utilizes ELCAs extensively and relies heavily upon them. In addition to efficient

number utilization, ELCAs are a vitally important marketing tool for cellular carriers in Michigan and their availability is an important factor for consumers in Michigan in deciding to subscribe to and utilize cellular service, and in making cellular service a user friendly.

After passage of the Telecommunications Act of 1996 and implementing rules by this Commission, most of the cellular industry in Michigan entered into interconnection agreements with Ameritech, which were approved by the Michigan PSC as contemplated by Section 252 of the Communications Act, providing for the continued availability of ELCAs.² Trillium's agreement with Ameritech approved on June 25, 1997, is typical in this regard; its Section 5.1 states in relevant part:

5.1 [Trillium] hereby elects to continue in effect Ameritech's [ELCAs] for the NXX codes currently active under this . . . option and for such additional NXX codes as may be designated in the future. * * * * *

Nonetheless, in October 1997, and without any prior notice to or consultation with the cellular industry, Ameritech filed revisions to its Tariff M.P.S.C. No. 20R purporting unilaterally to grandfather ELCAs for existing NXX codes through December 31, 1998, and to totally eliminate ELCAs after December 31, 1998. When the cellular industry was unable to convince Ameritech to change its position voluntarily, formal complaints against its actions were filed and prosecuted at the Michigan PSC.³

² See, e.g., MPSC Case Nos. U-11292 (AirTouch); U-11400 (Trillium); U-11403 (Century); U-11466 (Thumbular); U-11606 (Centennial).

³ Centennial Cellular Corp. v. Ameritech Michigan, MPSC Case No. U-11620; and In the Matter of the Complaint of Century Cellunet, Inc. against Ameritech Corporation, Michigan Bell Telephone Co. d/b/a Ameritech Michigan, Ameritech Services, Inc. and Ameritech Information Industries Services, a division of Ameritech Services, Inc., on behalf of Ameritech Michigan, regarding Ameritech's purported unilateral termination of Type 2A interconnection with CMRS providers, MPSC Case No. U-11630. The complaints were consolidated for trial and decision; and the remaining JCCs intervened in the consolidated proceeding in support of the complainants.

During May 1998 a hearing was held before an Administrative Law Judge during which 11 witnesses testified, producing 874 pages of transcript, and 46 exhibits were admitted into evidence. The inefficiency of NXX code utilization, and consequent artificial acceleration of area code splits, was cited and fully argued by complainants and intervenors as an important reason that elimination of ELCAs should be ruled contrary to the public interest under Michigan law.

For example, Century testified that it would need to implement 221 new NXX codes statewide in Michigan simply to fill in the local calling area gaps in Ameritech service areas for Century's existing customers, if Ameritech succeeds in eliminating ELCAs. (Tr. 241, 293-4). Centennial testified that it would require 21 additional NXX codes for the same purpose (Tr. 497); Thumb Cellular testified that it would need to implement 27 additional NXX codes for the same purpose (Tr. 581); RFB Cellular did not make a specific estimate but testified it would need to implement scores of NXX codes for the same purpose (Tr. 601); AirTouch testified that it would need at least 130 additional NXX codes for the same purpose (Tr. 611);⁴ and Trillium testified that it would need at least 13 NXX codes for the same purpose (Tr. 700).

It bears repeating that these additional NXX codes would be required for *existing* cellular customers, and would simply fill in the local calling gaps for those customers in Ameritech's service areas. They would not replicate ELCAs, but would merely minimize to a limited extent some of the adverse effects on cellular service which would result from eliminating ELCAs. Moreover, when the need to assign new NXX codes to rate centers associated with independent ILECs are considered (which in Michigan are now part of the ELCAs), the number of additional

⁴ AirTouch Cellular, Inc. also intervened in the MPSC proceeding but is filing its own comments separately in this proceeding.

NXX codes required increases almost exponentially.

In addition to specifically documenting the vast increase in NXX codes and inefficiency in number utilization in Michigan resulting from Ameritech's proposed elimination of ELCAs, the study by Economics and Technology, Inc. entitled *Where Have All the Numbers Gone?*, making the same point on a nationwide basis, was introduced into evidence and argued to the PSC. (*See, e.g.*, Tr. 700; Exhibit I-36). Furthermore, while the case was being argued to the PSC, the 616 area code in Michigan was placed in jeopardy status, foreshadowing its split into the 616 and 231 area codes which was subsequently announced to the PSC and to the public.

The other public interest benefits of ELCAs were also fully documented in the record and argued to the PSC, including that eliminating ELCAs would (1) materially degrade the quality of existing cellular service by rendering it more difficult and costly to use, thereby reducing public acceptance and use of cellular service; (2) substantially increase cellular carriers' costs of operation and decrease the value of their businesses; (3) cause substantial and unwarranted rate increases for vast numbers of consumers in Michigan who place calls to cellular mobiles; (4) disproportionately impact rural areas in Michigan adversely, (5) restrain incipient competition between cellular technology and landline technology in areas where such competition is currently feasible; and (6) enable Ameritech to use its monopoly power over interconnection arrangements to inhibit competition to Ameritech's own cellular affiliate.

The restraint of competition between wireless and wireline carriers inherent in eliminating ELCAs merits special comment, in light of this Commission's repeated pronouncements that *fostering* wireless and wireline competition remains one of the Commission's most important priorities. In this regard, because cellular service areas cover multiple landline exchanges and rating points, using wireless telephones, even with airtime usage

charges, are a viable competitive alternative to short-haul landline toll service between local landline exchanges.

Eliminating ELCAs means that a landline calling party incurs a toll charge for a call that formerly was treated as a local call (*i.e.*, no additional charge or a one message unit charge), thus erecting a substantial additional economic barrier to substituting wireless service for short-haul landline toll service. By unilaterally controlling the availability of ELCAs for wireless carriers, ILECs such as Ameritech are in a position to -- and blatantly do -- use that control to frustrate incipient competition between wireless service and wireline service.

In her Proposal For Decision (the APFD_≡) issued June 25, 1998, ALJ Mace found Ameritech's withdrawal of ELCAs adverse to the public interest and recommended that complainants and intervenors be granted the relief they requested.⁵ With respect to the impact on number utilization from eliminating ELCAs, ALJ Mace found as follows:

Ameritech further makes light of the possibility that further area code splits might be required if NXX codes continue to be exhausted. While to some extent that phenomena is the natural and expected result of growth in the telecommunications industry, it does cause hardship most especially to small businesses on tight margins who find themselves having to recreate all of their advertising to accommodate the change in their phone numbers. *The Administrative Law Judge believes that wise stewardship of NXX codes would better serve the public interest. Using them to preserve wider local area calling for CMRS providers is not the best use of such codes.* (PFD at pp. 25-26). (Emphasis added).

ALJ Mace further noted that Ameritech has successfully fended off true competition and *the effort to eliminate [ELCAs] constitutes another such effort_≡* and concluded that A[f]or all of these reasons, the Administrative Law Judge finds that the elimination of [ELCAs] would

⁵ A copy of the Proposal For Decision is annexed hereinafter as Appendix A for the Commission's convenience.

be adverse to the public interest₂. (*Id.* at p. 26). (Emphasis added).

However, on exceptions taken only by Ameritech, the Michigan Public Service Commission declined to address the issue of NXX code efficiency or wireless/wireline competition *or any other public interest implication of eliminating ELCAs*.⁶ Instead, the PSC ruled that the entire question should be dealt with as part of the process for negotiating interconnection agreements under Section 251 of the Communications Act, and that Ameritech is obligated under its existing agreements to offer ELCAs only through April 9, 1999.⁷ As a consequence, Ameritech has consistently taken the public position that ELCAs in Michigan will in fact disappear on April 9, 1999 as allowed by the PSC's Opinion and Order.

ELCA Offerings Should Be Mandatory

The Joint Cellular Carriers believe it is beyond reasonable dispute that ELCAs promote the public interests both in efficient NXX code utilization and in promoting local competition, and that through the widespread use of ELCAs, the cellular industry has been a consistent leader among the telecommunications industries in efficient use of NXX codes. They further believe it likewise is beyond reasonable dispute that ILECs have no incentive whatsoever to continue ELCAs voluntarily. Quite to the contrary, as the Michigan experience graphically underscores, ILECs can be expected to discontinue ELCAs as a way of fending off competition from wireless

⁶ A copy of the PSC's Opinion and Order is annexed hereinafter as Appendix B for the Commission's convenience.

⁷ Rehearing of the PSC decision was denied on October 26, 1998, and complainants and intervenors have taken appeal the decision to federal district court, to the extent it construed their Section 251 interconnection agreements, and to the Michigan Court of Appeals, to the extent it interpreted Michigan telecommunications law. *Centennial Cellular Corp. et al. v. Michigan Bell Tel. Co. d/b/a Ameritech Michigan, et al.*, Case No. 5:98-CV-159 (WD Mich, filed 11/25/98); *Centennial Cellular Corp. et al. v. Michigan Bell Tel. Co. d/b/a Ameritech Michigan*, Case No. 215920 (Mich. Ct. of Appeals, filed 1/5/98). Both appeals remain pending.

carriers; and, in fact, they have already started doing so.

Moreover, based upon informal information obtained by some of the JCCs and events in other parts of the country, the Commission properly should assume that Ameritech is the designated RBOC A stalking horse on this issue, and that, if it is successful in eliminating ELCAs in its territory, the remaining RBOCs and independent ILECs can be expected to quickly follow suit to the extent they have not already done so. In short, there is no doubt that absent prompt and decisive regulatory intervention by this Commission, ELCAs will disappear almost entirely, thereby forcing the wireless industry to become far less efficient users of NXX codes than at present. Such a result is manifestly contrary to the premise of the NANC Report and is palpably inconsistent with the Commission's objective in seeking public comment on the Report.

It is also manifestly contrary to and inconsistent with the Commission's recent solicitation of the wireless industry to A offer proposals for wireless carriers to promote efficient use of numbering resources before implementing [Local Number Portability].⁸ Since ELCAs represent the most efficient possible use of NXX codes, the Commission simply cannot, consistent with its public interest obligations in that case and here, blind itself to the ILECs' concerted campaign to remove ELCAs from the list of available options and thereby force wireless carriers to become *less* efficient in their utilization of NXX codes. Commission intervention is thus plainly necessary to prevent frustration of this Commission's public interest efforts to foster efficient NXX code utilization and to promote local competition in the public interest.

⁸ In the Matter of Cellular Telecommunications Industry Associations' Petition for Forbearance from Commercial Mobile Radio Services Number Portability Obligations (Memorandum Opinion and Order), FCC 98-330 at ¶5 (released September 16, 1998).

Accordingly, the Joint Cellular Carriers respectfully submit that as part of its long term solution developed herein, the Commission should require any ILEC which operates a tandem office to provide ELCAs to requesting telecommunications carriers for all end offices subtending the tandem. Additionally, ILECs operating end offices that subtend a tandem operated by a different ILEC similarly should have the legal obligation to include its end office in the ELCAs associated with that tandem. The Commission clearly has the plenary jurisdiction and authority under Section 251(e) to impose such requirements, and, as shown above, exercise of the authority at this time unavoidably is required in the public interest.

Moreover, the Commission further should make it clear that its prior classification of intra-MTA traffic as $\Delta_{local} \equiv$ for purpose of LEC/CMRS interconnection means local in *both* directions, both mobile-to-land *and* land-to-mobile. The Commission should make clear that as a consequence, the ILECs do *not* have the right, which they now claim, to superimpose their own landline toll rating schemes on calls to wireless customers over the objection of wireless carriers. The Commission should clarify instead that its policy of classifying intra-MTA calling as $\Delta_{local} \equiv$ carries with it the obligation on the part of ILECs to make available interconnection arrangements for CMRS carriers that enable them to effectively interconnect *all* of their assigned NXX codes at the originating end office on a land-to-mobile call *throughout* their wireless service area. That is *precisely* what ELCAs currently do and should be preserved to continue doing.

Furthermore, in order to preserve the Commission's jurisdiction over these issues pending a final decision herein, the Commission should promptly issue an interim, $\Delta_{standstill} \equiv$ order prohibiting ILECs from discontinuing the availability of any ELCAs now in existence. As noted above, absent contrary legal compulsion which the PSC has declined to provide,

Ameritech will eliminate ELCAs in Michigan on April 9, 1998. It is similarly fair to assume that other LECs will hasten to eliminate ELCAs before any decision is reached herein, thereby attempting to moot the entire issue before the Commission has a chance to decide it adversely to the ILEC industry. Therefore, absent an interim order by the Commission to preserve its jurisdiction to fashion long term solutions to efficient number utilization, substantial damage will have been done that simply cannot later be repaired. The Commission accordingly should enter a standstill order on ELCAs as promptly as possible, without waiting for a final decision herein.

Respectfully submitted,

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December 21, 1998

A P P E N D I X A:

MPSC PROPOSAL FOR DECISION, CASE NOS. U-11620 & U-11630

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the complaint of)		
CENTENNIAL CELLULAR)		
CORPORATION against AMERITECH)		Case No. U-11620
MICHIGAN.)		
_____)		

In the matter of the complaint of)		
CENTURY CELLUNET, INC., against)		
AMERITECH CORPORATION, et al.,)		
regarding Ameritech's unilateral termination)		Case No. U-11630
of Type 2A interconnection with CMRS)		
providers.)		
_____)		

PROPOSAL FOR DECISION

I.

HISTORY OF PROCEEDINGS

On January 9, 1998, Centennial Cellular Corporation (Centennial) filed a complaint against Ameritech Michigan (Ameritech) regarding the withdrawal of its Tariff 13. The complaint was docketed as Case No. U-11620 and a copy of it served on Ameritech on January 16, 1998. A prehearing conference on the complaint was held on February 3, 1998. Ameritech filed its Answer and Affirmative Defenses on February 20, 1998

On February 6, 1998, Century Cellunet, Inc., now known as CenturyTel Wireless, Inc. (Century), also filed a complaint against Ameritech, as well as a Motion to Consolidate its complaint with the earlier-filed complaint of Centennial. Century's complaint was docketed as Case No. U-11630 and served on Ameritech on February 13, 1998. Ameritech filed its Answer and Affirmative Defenses on February 23,

1998.

On February 25, 1998 a prehearing conference took place in Case No. U-11630. At that time, a hearing on the Motion to Consolidate was scheduled, as well as a schedule for the remainder of the proceeding.

On March 3, 1998, argument was heard on the Motion to Consolidate and the Motion was granted. Appearances were entered on behalf of Thumb Cellular (Thumb), Airtouch Cellular, Inc. (Airtouch) and Trillium Cellular Corp. (Trillium), all of which had filed late petitions to intervene.

On March 6, 1998, the Administrative Law Judge issued a written ruling granting the late-filed petitions to intervene of Thumb, Airtouch and Trillium as well as a further late-filed petition filed on behalf of RFB Cellular, Inc. (RFB).

On March 24, 1998, hearing took place on a Motion to Compel Discovery filed by Centennial. The Motion was granted in part.

On April 16, 1998, argument was heard on a Motion to Compel Discovery filed by Century. The Motion was granted in part.

On May 6-8, 1998, cross-examination of witnesses took place. Centennial presented the direct, supplemental and rebuttal testimony of Phillip H. Mayberry, its Senior Vice President, and the direct, supplemental and rebuttal testimony of Thomas R. Cogar, Jr., its Vice President of Engineering. Century presented the direct and rebuttal testimony of Susan W. Smith, its Director of External Affairs, and Dale Fox, its Region II Vice President. Thumb presented the direct and rebuttal testimony of Paul C. Picklo, its General Manager. RFB presented the testimony of Robert Broz, its President. Airtouch presented the testimony of Raymond G. Fix, its Director of Michigan Engineering and Network Operations. Trillium presented the direct and rebuttal testimony of Michael D. Khouri, its Northwest Michigan General

Manager and of Kenneth E. Hardman, an attorney and partner in the law firm of Moir & Hardman in Washington, D.C. Ameritech presented the testimony of Eric L. Panfil, its Director - Local Exchange Competition Issues, and John D. Earle, a Senior Product Marketing Manager in Ameritech Information Industry Services (AIIS).

Prior to the cross-examination of witnesses, argument was heard on various pre-filed motions to strike testimony. These motions were granted in part. The portions of testimony stricken from the record appear as lined out copy in the transcript of the proceeding.

During the course of the hearing, Complainants⁹ offered 36 exhibits which were admitted in evidence. Ameritech offered 11 exhibits, 10 of which were admitted. Exhibits C-8, 9, 14-21, 40-41 and 43 were marked confidential. R-28 and R-32 were also marked confidential.

The record was closed on May 8, 1998. A transcript of the proceedings was prepared consisting of 874 pages.

Initial briefs were filed by Centennial, Century, Airtouch, Thumb, RFB, Trillium and Ameritech. Reply briefs were filed by Centennial, Century, Airtouch, Thumb, Trillium and Ameritech.

II.

BACKGROUND

On October 1, 1997, Ameritech filed Tariff 20R, a revision of Tariff 13. By means of the

⁹ The two original Complainants, Centennial and Century, as well as all the intervenors in the case, are referred to as complainants or Cellular Mobile Radio Service (CMRS) providers in this Proposal for Decision. The exhibits of Centennial and Century were prefixed with a AC≡, the exhibits of the intervenors were prefixed with an AI≡.

revision, Ameritech withdrew its offering of reverse billing¹⁰. In order to allow for a transition away from reverse billing, Ameritech proposed a Flexible Rating plan. However, during the course of the proceeding, Ameritech indicated that it would continue reverse billing until April 9, 1999, the date upon which expires the last Interconnection Agreement with a CMRS provider in which reverse billing is a provision of the agreement.

Reverse billing has been in effect for over a decade. It has been available in Michigan since the Commission approved a settlement agreement adopting Ameritech Tariff 13 in Case No. U-9269, March 3, 1989. It constitutes one of the several types of interconnection delineated in the settlement agreement. In the agreement, CMRS providers (called at that time wireless carriers), were given the discretion to name any Ameritech end office as a Type 2A end office, with an NXX code which would be designated as Type 2A. If the carrier did not name an end office Type 2A, it would be designated Type 2T, or toll end office, and landline originated calls to a CMRS customer would be billed to the landline end-user in that office. The latter type of interconnection and billing arrangement is termed standard billing.

The concept of reverse billing is integral to the provision of the larger local calling areas typical of wireless service. When the wireless industry was in its infancy, the Federal Communications Commission (FCC) determined that the local calling area applicable to traditional landline local exchange carriers (LECs) customers was not appropriate for application to wireless carriers. The FCC allowed the establishment of a much larger territory for wireless carriers. It defined those carriers' local calling area as the metropolitan trading area (MTA). Reverse billing allows CMRS subscribers' needs to be met within the CMRS provider's licensed metropolitan service areas (MSAs) and rural service areas (RSAs).

¹⁰ This is referred to variously as reverse billing, Type 2A interconnection, Type 2, Option 1 interconnection and Type 2 ng Option 1. In this Proposal for Decision it will be referred to as reverse billing.

If a CMRS provider selects reverse billing, as opposed to standard billing, it is required to certify to Ameritech which central offices it will use to designate its reverse billing NXX codes. Landline calls to the NXX code assigned to mobile phone customers of the CMRS are not billed to the landline end-user. Rather, Ameritech bills the CMRS provider an access-like charge of 24 per minute for such calls. The CMRS provider recovers that cost in rates to its customers. This permits CMRS providers and their customers to benefit from large wireless local calling areas because landline calls to mobile phone users are not charged as toll calls. The reason for this is that the land to mobile call is routed first to Ameritech, then to the local CMRS point of presence/switch and then on to the CMRS customer's phone. Even if the mobile phone user is located geographically in a different area code, the land to mobile call is not billed as a toll call, because the call is still being placed within the local calling area of the CMRS NXX code.

CMRS providers typically issue phone numbers for their customers randomly out of one NXX code assigned to them, regardless of the geographic location of the customer, thus conserving the number of NXX codes required to serve their customers. This conservation effect is also an offshoot of the larger local calling areas assigned CMRS providers. CMRS customer's phones are programmed with the NXX code, thus any change to their phone numbers would require a change in the programming of the phones. Landline calls to mobile phones thus may be made by dialing 7 digits rather than 1 plus 10 digits.

The Flexible Rating option Ameritech is offering still allows the CMRS provider to choose which Ameritech end office at which to rate its reverse billing NXX codes except that it restricts landline local calls to only those calls made within the geographic area code and its adjunct extended area service (EAS) exchanges. Landline calls from any other exchanges would be assessed a toll charge based upon

Ameritech's customary toll rate schedule between the originating landline exchange and the exchange at which the cellular carrier's NXX code is rated.

III.

DISCUSSION

Reverse Billing - Interconnection

Complainants assert that: reverse billing is a form of interconnection under the Michigan Telecommunications Act, 1991 PA 179 (MTA) and the Federal Telecommunications Act of 1996 (FTA); that under the FTA reciprocal compensation requirements can be avoided by a voluntary agreement between the parties; and, that absent such an agreement, the Michigan Public Service Commission (Commission) can require Ameritech to offer reverse billing. First, Complainants cite the definition of interconnection contained in section 102(k) which states:

A>Interconnection= means the technical arrangements and other elements necessary to permit the connection between the switched networks of 2 or more providers to enable a telecommunications service originating on the network of 1 provider to terminate on the network of another provider.≡

Complainants point out that under this definition, interconnection consists of both the physical, technical connection as well as the Aother elements necessary to permit connection≡. These other elements include among other things, pricing. They further cite Article 3A, entitled AInterconnection of Telecommunication Providers with the Basic Local Exchange Service≡ which provides for the pricing of interconnection between telecommunication providers and basic local exchange service providers. Section 353 broadly addresses the need for the Commission to report to the legislature regarding issues, scope, terms and conditions of interconnection of telecommunication providers with the LEC.

Complainants point to the Commission approved settlement agreement in Case No. U-9269, where the case caption explicitly referred to the interconnection between the then Michigan Bell Telephone Company and what were then termed Public Mobile Carriers, and which governed all aspects of interconnection, including pricing. They also referred to Commission orders in Case No. U-10860, order issued June 5, 1996, and Case No. U-11574, order issued May 11, 1998, where the Commission has exercised authority over the rates, terms and conditions of interconnection, not just the physical interconnection.

Complainants presented testimony regarding the physical and technical implications of reverse billing, demonstrating that it is not merely a billing mechanism. Ameritech routes reverse billing traffic on 2A trunks. Standard billed calls are routed over a 2T trunk group. If reverse billing is eliminated, all land to mobile traffic will be routed over 2T trunk groups. Even Ameritech admitted that CMRS carriers would need to increase the number of 2T trunks in order to handle the change in routing. Exhibit C-2 at 49, 72.

Century witness Smith related that when Century had determined to change to standard billing in certain areas where reverse billing had been in effect, Ameritech determined that the prior reverse billing traffic had to be routed over Century's 2T trunks, even though Century had earlier been advised that that traffic would continue to flow over its 2A trunks. When Ameritech rerouted the calls to the 2T trunks, it resulted in the blockage of up to 40% of its calls during peak calling periods. In order to ameliorate the situation, Century has added approximately 250 2T trunks between January 1997 and March 1998.

Complainants observe that the physical nature of the reverse billing interconnection is supported by Ameritech's Wireless Customer Ordering Handbook (Exhibit C-27) which defines Type 2A

connection and describes it as a particular kind of interconnection enabling the wireless service provider to originate and terminate calls to and from the access tandem.

Complainants further contend that reverse billing is recognized as integral to interconnection in federal law. Section 251(c)(2)(D) of the FTA requires LECs to provide interconnection with their networks to telecommunications providers, on rates terms and conditions that are just, reasonable and nondiscriminatory. It is impossible to determine whether a physical linking to the LEC network is just and reasonable absent consideration of rates, terms and conditions.

Complainants admit that Section 251(b)(5) of the FTA requires LECs to enter into reciprocal compensation arrangements for the exchange of traffic and that the FCC has issued 47 CFR section 51.703 which prohibits LECs from assessing charges to CMRS providers for traffic that originates on the LEC's network. However, they argue that this means a LEC may not force CMRS providers to pay for calls originating on the LEC's network, not that LECs and CMRS providers cannot voluntarily agree to such an arrangement. Section 252(a)(1) of the FTA allows LECs and interconnecting carriers to enter into agreements regarding interconnection without regard to the standards contained in Section 251(b) and (c). Such agreements have been entered into between all the CMRS carriers involved in this proceeding and Ameritech and have been approved by the Commission. It is noteworthy that Ameritech has conceded that it will not withdraw reverse billing until the current term of the last such agreement expires. Complainants assert that since the agreements have been approved as nondiscriminatory and not inconsistent with the public interest under Section 252(e)(2)(A), Ameritech is barred from claiming they violate that section of the FTA.

Finally, the Complainants contend that while section 252(c)(1) would prevent CMRS providers being forced to compensate Ameritech for traffic originating on its network, nothing in the section

indicates the Commission could not require Ameritech to provide reverse billing as an option for CMRS providers. Section 261(b) of the Act allows a State commission to prescribe regulations fulfilling the requirements of the FTA as long as they are consistent with it. In addition, Section 205 of the MTA authorizes the Commission to order changes in the provision of telecommunications services if there is a finding that the conditions of service are adverse to the public interest.

Ameritech's chief arguments are that reverse billing is not a form of interconnection, that it is counter to the FTA's reciprocal compensation paradigm, that withdrawal of reverse billing is not prohibited by law and that the Commission does not have the authority to order Ameritech to offer reverse billing.

Ameritech argues that the FTA interconnection requirement contained in Sections 251(c)(2)(C) and (D) pertain only to the physical interconnection between CMRS providers and the LEC. The term interconnection is defined by the FCC as only the physical linking between two networks for the mutual exchange of traffic.¹¹ The Section 102(k) definition of interconnection in the MTA refers to the physical link between providers. The other elements portion of the definition refers to necessary physical part of the interconnection, without which a call could not be transmitted. Ameritech contends that interconnection cannot be more than just the physical link because when the quality of interconnection is measured, it is measured in terms of the quality of the physical connection. In Case No. U-10138, order issued February 23, 1993, the Commission ruled that intraLATA toll access to IXC's was not inferior just because access was provided by dialing more digits than Ameritech customers had to dial. The Commission measured interconnection and its quality by looking at the technical quality of

¹¹ In In Re Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report & Order, CC Docket No. 96-98 (August 8, 1996), paragraph 176.

the call signal and the fact that the call was routed over the same types of facilities.

Ameritech also contends that while reverse billing is not explicitly prohibited by federal law, recent FCC interpretations of the FTA reciprocal compensation requirements suggest that continuing reverse billing is not permissible. Ameritech relies 47 CFR 51.703 prohibiting LECs from assessing charges to CMRS providers for traffic originating on the LEC's network, and further points out that the FCC Common Carrier Bureau (CCB) has issued two recent interpretations of that rule. In March 1997, the CCB wrote that since CMRS providers were telecommunications carriers, LECs couldn't charge them for local traffic originating on a LEC network. A December 1997 letter reaffirmed this interpretation. From this, Ameritech concludes that withdrawal of reverse billing is consistent with federal law.

Ameritech also argues that nothing in either the FTA or the MTA prohibit the withdrawal of reverse billing. Neither statute directly addresses reverse billing. The Commission's authority to prohibit withdrawal under the FTA is limited to its ability to determine if a breach of the Interconnection Agreements between CMRS providers and Ameritech has occurred. Section 261(b) of the FTA only allows the state to prescribe regulations to fulfill the requirements of the Act. Since reverse billing is not a requirement of the FTA, the state has no authority to promulgate rules pertaining to it. Section 261(b) indicates a state may not act contrary to the FCC rules promulgated to implement and interpret the Act. Since, as Ameritech earlier argued, the FCC prohibits reverse billing, the state could not take any action under this section to require Ameritech to offer reverse billing.

Furthermore, Ameritech contends that Section 205 of the MTA concerns itself with telecommunications services. The reverse billing option is not such a service. Section 401 lists unregulated services as broad categories such as cable or cellular. It does not allude to anything as

specific as billing options. The use of the term Aservice in section 102 of the MTA pertains to broad categories of service, not to such things as billing options. Since reverse billing is not a regulated Aservice it does not fall within the purview of section 205 and thus the Commission has no authority to address it.

Ameritech also disagrees with the Complainants' argument that voluntary agreements, duly approved by regulatory authorities, are allowed under the FTA, and the terms of those agreements are not bound by other statutory requirements. Ameritech contends that such agreements cannot create an exception to the FCC's clear prohibition against LEC assessment of charges on CMRS providers. Moreover, even if they could, those agreements would have to be voluntarily entered into by both parties. CMRS providers cannot compel acceptance of such agreements by Ameritech. In addition, carrying the FCC prohibition to its logical conclusion, the Complainants' argument means that as long as CMRS providers voluntarily agree to compensate Ameritech for calls to mobile phones made by landline callers, they will do so. When they decide not to do so, there is no legal requirement in place to assure such compensation will continue.

The Administrative Law Judge disagrees with Ameritech's narrow interpretation of the definition of the term Ainterconnection. She believes that under both the FTA and the MTA, interconnection includes both a physical link between the provider and the LEC, as well as other elements, such as rates (billing) and conditions pertinent to that link. Complainants have shown that there are physical parameters to reverse billing, including call routing and trunking requirements. According to Ameritech's own Wireless Customer Ordering Handbook, there are physical parameters to the connection of wireless provider to the Ameritech network. Century's narration of its own experience in changing to standard billing, including the changes made in routing calls, confirms this.

With regard to Aother elements, the Administrative Law Judge's review of the Interconnection Agreement between the parties, as well as the settlement agreement in Case No. U-9629, reveals that interconnection is not purely a technical matter. Interconnection would not take place physically without the simultaneous establishment of pricing provisions. Subscriber call rating principles always have to be established whenever traffic is interchanged between two carriers. Thus, they are a necessary part of interconnection arrangements.

The Administrative Law Judge further finds Ameritech's reference to Case No. U-10138 unpersuasive. In that case, the Commission was ruling on a complaint about the inferior quality of access service to IXC's, not on the issue of what constituted interconnection. Additionally, she finds the FCC definition of interconnection cited by Ameritech was focused more on excluding transportation and termination from the definition than it was on determining whether interconnection itself included more than just the physical link between providers and LEC networks.

The Administrative Law Judge also disagrees with Ameritech that either the FTA scheme of reciprocal compensation or the FCC rule 47 CFR 51.703 relied on by Ameritech, dictate the withdrawal of reverse billing. The FTA does not specifically address reverse billing. Moreover, its reciprocal compensation paradigm is not directly applicable to the situation of the wireless industry. The industry has a history somewhat different than either LEC's or IXC's. It is configured differently physically and the FCC has recognized these differences. FCC Rule 51.703 does not specifically mention reverse billing. It simply prohibits the assessment of charges by LEC's on other carriers for local traffic that originates on the LEC's network. Nor do the two FCC CCB letters contained in Exhibits I-37 and R-38 specifically address reverse billing. They address the practice of LEC's to unilaterally impose flat monthly recurring charges on paging carriers for dedicated facilities between the LEC's serving end offices and the paging

carriers= terminals over the carriers= objections. The CCB was not asked to decide whether the paging companies could voluntarily agree to such charges. The letters hardly constitute an unequivocal prohibition of reverse billing.

In any event, the Administrative Law Judge concludes that the CMRS providers and Ameritech could negotiate a Section 252 agreement which did not call for reciprocal compensation. Ameritech appears to concede this point or it would not have delayed implementation of the withdrawal of reverse billing until the last Interconnection Agreement with a reverse billing provision expired.

The issue of the Commission=s authority under the FTA and the MTA to otherwise require Ameritech to provide a reverse billing tariff option is addressed below.

Public Interest Considerations

Complainants argue that Section 205(2) of the MTA, as well as Section 261(c) of the FTA, allow the Commission to require changes in how telecommunications services are provided if current conditions are adverse to the public interest. Complainants point out the many ways in which the withdrawal of reverse billing would be adverse to the public interest. They first suggest that the withdrawal proposal constitutes a rate increase imposed on Ameritech=s customers, especially those in rural areas. Because the effect of the withdrawal will be to dramatically decrease the size of cellular local calling areas, many land to mobile calls¹² which had previously been local calls would become toll calls. Complainants allege that Ameritech=s residential intraLATA toll rates are approximately 18¢ per minute. For business customers, intraLATA toll ranges from 14¢ to 25¢ per minute for the first minute and from 8¢ to 22¢ for additional minutes. Estimates of the revenues which would accrue to Ameritech with the

¹² Approximately 20%-30% of cellular traffic consists of land to mobile calling.

change to standard billing range from \$76 million to \$103 million.

Complainants reject Ameritech's claim that the number of calls that would shift from local to toll would be as low as 7%. They point out that Ameritech based its conclusion on a one month study based on billing records for land to mobile minutes of use (MOU) in December 1997. This study is not to be relied upon because Ameritech looked only at the number of landline calls to Centennial's phone numbers. Counting the number of landline calls originated at a landline phone wired to a local end-office, Ameritech assumed each phone call would be to a Centennial customer local to that end-office. Ameritech assumed no calls were made between various local rate areas.

Furthermore, Complainants point out, the effect of the shift from local to toll calls would be felt the most in rural areas. A study of the Centennial Jackson area indicated that 18% of calling minutes would be billed as toll calls, assuming calling patterns remained constant. In Clare, that percentage jumped to 53%. In Century's most rural region, RSA 6 and RSA 7, 100% of calls would be toll, as would be the case in Thumb's RSA 10. In Traverse City, Century has reverse billing in 40 Ameritech end offices. If reverse billing is withdrawn, the Century subscribers would have local land to mobile calling from only five Ameritech end offices. Approximately 57% of calls would become toll. In effect a higher percentage of rural customers would be required to pay toll charges for calls previously treated as local.

Complainants contend that none of the alternatives to reverse billing suggested by Ameritech would be adequate substitutes. The use of 800 or 888 numbers, 500-prefix calling or remote call forwarding would be unacceptable. The use of 800, 888 or 500-prefix numbers would use up scarce toll-free calling numbers that could be used nationwide and devote them to the task of insuring that existing local calling involving wireless carriers remains local. Call forwarding, while it might be an option, would drain NXX codes because each customer would have to be assigned multiple phone numbers for each

end-office where local calling was desired in order to approximate reverse billing.

Complainants devote substantial argument to the adverse impact on NXX code depletion of both Ameritech's A Flexible Rating proposal, as well as the possible use of call forwarding to substitute for reverse billing. Because CMRS providers assign phone numbers without regard to geography in a virtually LATA-wide calling area and LECs assign phone numbers on a geographic basis, if Complainants desired to provide the same calling areas to their subscribers under either alternative proposal, many new NXX codes would be required.

Centennial observes that because of the shrunken size of local calling areas that would occur if reverse billing is eliminated, virtually all land to mobile calls to Centennial customers would become toll calls unless Centennial opened new NXX codes to be dispersed throughout its territory to fill in gap areas. Most areas would need far fewer than the 10,000 numbers contained in a block of NXX codes but Centennial would have to use a 10,000 number block for each gap. Centennial estimates it would need 21 NXX codes in addition to its current 8 to fill in the gap areas. Similarly, Century estimates it would need 221 additional new NXX codes; Thumb estimates it would require 27; Air Touch, 130 and, Trillium 13-50.

Complainants point out that of seven area codes in Michigan, five are projected to be exhausted within 10 years. In fact, on May 11, 1998, Ameritech notified Complainants that the 616 area code was in jeopardy and that NXX codes in that area code would be rationed at a 10 per month rate. Six of Centennial's eight NXX codes are in the 616 area code. Only 13% of available NXX codes remain in that area code. When area code NXX quotas are exhausted, area code splits occur, causing phone number changes for all numbers in the new area code, business and residence alike.

In addition to the problems created with NXX codes, Complainants each related other problems

they would experience with the withdrawal of reverse billing; required reprogramming of each customers cellular handset; training of technicians and staff to deal with reprogramming; changing sales and marketing materials; increasing customer contact costs, including the cost of handling the complaints attendant upon the change and conducting surveys to determine which area code customers would prefer to be assigned to; losing customers due to inconvenience as well as to failing to deliver the promised mobile local calling area; decreasing revenues; and, lost opportunity costs. The costs to each CMRS provider associated with the elimination of reverse billing would vary depending on the size of the provider. Centennial alone estimated a total of \$3.7 million in non-network costs.

Finally, Complainants argue that competition would be adversely affected by the withdrawal. Ameritech's action will help maintain the Ameritech monopoly on local exchange service. The mere fact that Ameritech can send the cellular market into turmoil by withdrawing its tariff is ample demonstration of its market power. CMRS providers have no other LEC to turn to or bargain with in order to connect with a network the size of Ameritech's in Michigan. Complainants point out that Ameritech is withdrawing wide local calling areas for cellular phone subscribers at a time when cellular service is becoming a competitor for local exchange traffic. In fact, wireless services are beginning to provide traditional landline service by providing wireless local loop service. Centennial is providing such service in Puerto Rico and conducting a market test of it in Indiana. Moreover, Centennial suggests that if Ameritech's cellular affiliate, Ameritech Cellular, is not using reverse billing and assigns its phone numbers geographically, it will avoid the upheaval to be visited upon Complainants and thus possibly takeover some of their customer base.

Ameritech responds that MTA Section 205 relates only to regulated services. Reverse billing is not a service, either regulated or unregulated, under the MTA. Section 401 lists unregulated services and

does not allude to billing options. The use of the word A service as contained in the definition section of the MTA is associated with broad categories of service such as access service, basic local exchange service or cable service. Thus, Section 205 does not give the Commission authority to assess the impact on the public interest of the withdrawal of reverse billing.

Ameritech also argues that Complainants concerns about potential rate increases imposed on Ameritech customers when reverse billed local calls become toll calls are unfounded. Ameritech asserts that if the impact were going to be as great as Complainants allege, the Attorney General or Staff would have intervened in this proceeding. Furthermore, Ameritech points out that CMRS providers select standard billing as opposed to reverse billing when there is a benefit to them, making suspect their concern about the impact on landline customers. Indeed, Airtouch offers billing arrangements to their customers where the calling party is directly billed both for the originating call as well as the mobile customers air time. This arrangement is known as A Calling Party Pays (CCP).

Ameritech contends that even if most reverse billed local calls become toll calls, it will not diminish the value of cellular service or necessarily decrease the number of calls to mobile phone customers. Ameritech points out that Complainants admitted that 80% of their call volumes are mobile to land anyway, rather than land to mobile. The landline caller who needs to contact a cell phone user will do so whether the call is local or toll, just as he or she would call another landline number regardless of whether the call was local or toll. CMRS providers want reverse billing to continue because it creates more air time for which they can bill their customers.

Ameritech rejects Complainants objections to the A Flexible Rating transition proposal, pointing out that the proposal is optional, that none of the alternatives discussed on the record were required to be put into place by CMRS providers and that Ameritech did expect any of them to be

complete substitutes for reverse billing. Ameritech admits that if CMRS providers decided to open an NXX code in every Ameritech end-office, new NXX codes would be required. However, competing LECs (CLECs) are requesting new codes every day now, with the onslaught of local exchange competition. There is no legal barrier against this. Exhaustion of NXX codes is not against the public interest, but rather is a normal consequence of the establishment of competition and reciprocal compensation under the FTA. Need for new area codes is simply a sign of expansion, a trade off for the benefits conferred by the FTA.

Ameritech admits there will be costs to CMRS providers associated with the transition away from reverse billing. However it asserts that those providers will receive benefits as well. Access charge payments to Ameritech will be reduced by \$12 million and they will receive compensation from Ameritech for terminating calls. In addition, CMRS providers previously paid an access rate when they turned mobile to land traffic over to a LEC. Now they pay a TELRIC based rate of approximately .54 per minute for local traffic. These benefits can be or should have been passed on to their subscribers, which in turn will encourage call volumes to increase. With respect to lost customers, Ameritech argues that Complainants expect customer turnover, or churn, and that if one of them loses a customer another gains a customer. Even without reverse billing, one of the Complainant=s witnesses testified that he expected a new customer gain of about 1% per month. Ameritech indicated that Complainants= concerns about renegeing on their agreements with customers, or needing to revise sales materials to accommodate the withdrawal of reverse billing, were also without merit. Complainants= witnesses testified that none of their sales agreements with customers contained a reference to reverse billing, making it problematic whether the billing option played any role in customers= purchase plans.

Ameritech also contends that the elimination of reverse billing is not anti-competitive.

Competition between CMRS providers will be as vigorous as before elimination. As indicated above, there was testimony that customers purchase cell phone service for a number of reasons, safety being one. The ability to make cellular phone calls is the primary consideration, whether or not reverse billing is available is only a secondary one. With respect to the competition from wireless carriers to local exchange service, Ameritech pointed out that Centennial's wireless local loop is not a typical wireless service and was being analyzed by the FCC. Should it become competition for local exchange service, the continued use of reverse billing would only serve to create an unlevel playing field.

The Administrative Law Judge finds Ameritech's interpretation of MTA Section 205(2) unconvincing. That section indicates that if the Commission finds the quality, general availability or conditions for the regulated service are adverse to the public interest, the Commission may order changes in how the services are provided. The regulated service is the basic local exchange service provided by Ameritech, specifically the tariffed interconnection and billing option named reverse billing which Ameritech has offered and now threatens to remove. The Commission has determined that it has the authority to undertake public interest reviews of regulated carrier's activities. Case No. U-10138. The courts have upheld the Commission's authority to conduct such reviews. GTE North Inc. v Michigan Public Service Comm'n, 215 Mich App 137 (1996). Furthermore, FTA Section 261 would allow such a review within the context of enhancing the competitive environment of the intrastate telecommunications market notwithstanding Ameritech's arguments that the FTA does not address the question of reverse billing.

The Administrative Law Judge finds disingenuous Ameritech's arguments that the Attorney General and the Staff would have participated in this proceeding if the potential revenue impact from withdrawal of reverse billing were so dire. The Administrative Law Judge recognizes that the revenue

benefit to Ameritech does not technically constitute a rate increase. However, this does not negate the fact that Ameritech failed to rebut Complainants' evidence that Ameritech would experience a revenue windfall ranging from approximately \$75 to over \$100 million dollars merely from the elimination of reverse billing. Ameritech admitted in its post-hearing brief that it was aware that many currently local calls would become toll due to the shrinkage of the cellular local calling areas and that this awareness prompted the offering of the A Flexible Rating proposal as a transition mechanism. Nor did Ameritech rebut the impact of the change in service on rural areas, except to say that if a landline user really needed to make a call, it would not matter whether the call was local or toll.

Ameritech further makes light of the possibility that further area code splits might be required if NXX codes continue to be exhausted. While to some extent that phenomena is the natural and expected result of growth in the telecommunications industry, it does cause hardship most especially to small businesses on tight margins who find themselves having to recreate all of their advertising to accommodate the change in their phone numbers. The Administrative Law Judge believes that wise stewardship of NXX codes would better serve the public interest. Using them to preserve wider local area calling for CMRS providers is not the best use of such codes.

In this regard, the Administrative Law Judge rejects Ameritech's contention that CMRS providers are not required to try to preserve their former local calling areas by using up NXX codes. This goes to the heart of the wireless service industry. The nature of the service is mobility combined with wide local calling areas. The FCC has recognized that the wireless service industry is different from landline local exchange service, hence the institution of reverse billing. Ameritech's suggestion that if reverse billing were so important it would be a feature of the agreement between the provider and its customer ignores the fact that the local calling area is so integral to the service that it is automatically

assumed to be part of the service. It is unreasonable to expect that the wireless industry would not attempt to protect its customers from the diminution of their service.

Ameritech's response regarding the anti-competitive nature of the tariff withdrawal emphasizes the lack of impact on CMRS providers as competitors with each other and de-emphasizes the competitive benefit to Ameritech. The Administrative Law Judge is persuaded that one of the chief reasons for the withdrawal of the tariff is not the FCC CCB opinion letters Ameritech relied upon but rather the concern of Ameritech that wireless service will eventually be a true threat to its hold on the basic local exchange market in Michigan. Ameritech argued that with local exchange competition expanding in Michigan, the provision of reverse billing, along with complications attendant upon number portability, would create a telecommunications nightmare, thus reverse billing is best discarded across the board. The Administrative Law Judge notes that this was not brought up during the course of the hearing, and further observes that Ameritech's view of the expansion of competition in the provision of basic local exchange service is much broader than hers. Ameritech has successfully fended off true competition and the effort to eliminate reverse billing constitutes another such effort.

For all of these reasons, the Administrative Law Judge finds that the elimination of reverse billing would be adverse to the public interest.

Inferior Interconnection and Discrimination

Complainants argue that the withdrawal of reverse billing in conjunction with the attempt to provide a substitute calling area of similar scope constitutes an inferior connection under Section 305(1)(a) of the MTA. Additionally, they argue that reverse billing, though not an access service, is functionally equivalent to the originating access service Ameritech offers IXCs. If reverse billing were

eliminated, Ameritech would, in effect, be discriminating against CMRS providers by not providing a service similar to what IXCs receive from Ameritech, in violation of Section 251(c)(2)(D) of the FTA as well as providing a quality of interconnection inferior to that provided to IXCs. Furthermore, Complainants allege there is a close similarity between EAS arrangements and reverse billing. If reverse billing were eliminated, cellular carriers would have nothing comparable to those arrangements.

Ameritech responds that reverse billing is not a form of interconnection, nor is it an access service. Rather it is a unique compensation arrangement associated with interconnection. Furthermore, the access service provided to IXCs differs from reverse billing in that FCC rules allow charges to IXCs for originating interexchange calls. In IXC traffic, the calling party is the IXC customer. The LEC within whose network the call originates carries the call to the IXC POP within the LEC network where the call terminates. Under reverse billing, the calling party is not the mobile phone company customer. Ameritech contends that if reverse billing constitutes access service then CMRS providers should compensate Ameritech for their traffic terminating on Ameritech's network at 24 per minute rather than the .54 per minute local call termination charge.

The Administrative Law Judge agrees with Ameritech that reverse billing is not access service and is not analogous to the billing of IXCs for originating interexchange calls. However, she does not agree with Ameritech that reverse billing is not a form of interconnection, as discussed above. Nevertheless, she concludes there is insufficient information on the record to determine whether the alternatives to reverse billing testified to during the hearing constitute and inferior quality of interconnection. She notes that Century produced testimony to the effect that when it elected standard billing, the switch over to that form of billing from reverse billing caused call blockage due to Ameritech's routing of the calls. Century was required to install additional trunk groups to avoid further such problems. However, she

regards this testimony as insufficient to determine whether, as a whole, the service was inferior or whether this constituted a quality of service problem which was resolved. Nor is it clear from the record that the actual service resulting from the alternatives suggested by Complainants would be lower in quality or inferior compared to the service currently provided. With regard to the arguments regarding EAS, again the Administrative Law Judge finds insufficient evidence to determine whether the elimination of reverse billing while EAS was in effect would constitute discrimination under the FTA.

Settlement Agreement in Case No. U-9269

Complainants allege that the withdrawal of reverse billing is a violation of the Commission's order approving the settlement agreement in Case No. U-9269. Reverse billing, as contained in Tariff 13, resulted from the settlement negotiations in that case. The settlement agreement was approved by the Commission as being in the public interest. The fundamental interconnection arrangements negotiated and approved therein have constituted the basis for the CMRS/Ameritech interconnection since 1989. In the order, dated March 9, 1989, the Commission specifically reserved jurisdiction over the matters contained in the agreement, among which was the billing of 2A service in the originating direction under Tariff 13. Complainants contend that the withdrawal of reverse billing, which was previously found to be in the public interest, is improper absent Commission approval. They request the Commission issue a cease and desist order requiring Ameritech to cease violating the 1989 order.

Ameritech's response is that the order in Case No. U-9269 does not obligate it to offer reverse billing in perpetuity. Ameritech points out that there is a two-year term provision contained in the agreement, beyond which it is not obligated to continue all the rates, terms and conditions in effect. It was understood that changes in state and federal law might require changes in the agreement. Neither the

agreement nor Tariff 13 mention reverse billing. Ameritech further argues that settlement agreements are contracts under Michigan law. Since the agreement did not specify how long it would be in effect, the two-year limitation on the parties right to file for revision of the tariff constitutes the primary term. After the primary term expired, the term of the agreement became indefinite, and thus could be construed as terminable at the will of any party. Because the agreement disclaims any intent to resolve legal or ratemaking principles beyond those stated, any contractual rights created do not affect the parties' legal rights and obligations as altered by post-agreement changes in the law.

The Administrative Law Judge disagrees with Ameritech's position. Within the body of the agreement, at page 11, the agreement of the parties indicates they will wait two years before commencing any action to revise the tariff. There is nothing in the language contained therein to indicate that changes to tariff can be made other than by making a filing with the Commission and seeking Commission approval. Ameritech is clearly in violation because it sought to change Tariff 13 without prior Commission approval.

Interconnection Agreements

Complainants allege that Ameritech is violating the approved CMRS/Ameritech interconnection agreements by withdrawing reverse billing. Ameritech contends that reverse billing is not named in the provisions of the interconnection agreements. Rather, reference is made to "then existing access charges." Ameritech takes this to mean that only if the tariff continues in existence, can CMRS providers elect to be billed under it.

The Administrative Law Judge rejects Ameritech's position. She finds the interconnection agreement reference to the "then existing access charges" to mean the level of the charges, not the

reverse billing option itself. Furthermore, it appears that Ameritech has conceded the point, as it has indicated it will not withdraw reverse billing until the expiration of the last agreement which contains a reverse billing provision.

Arbitration

Trillium argues in its post-hearing brief that its interconnection agreement with Ameritech was approved on June 25, 1997. Section 5.1 of the agreement indicates an expiration date of March 1999. Trillium contends that reverse billing is a provision of the agreement which may be a subject for arbitration under section 252(b) of the FTA and that this proceeding should constitute an arbitration of the matter.

The Administrative Law Judge disagrees. As Ameritech points out, arbitration proceedings under the FTA must follow certain procedural requirements which are quite different from those applicable to a contested case complaint proceeding. It is inappropriate to attempt to hybridize these proceedings as Trillium suggests.

MTA Section 304b(1)(g)

Trillium also raised the point that elimination of reverse billing violates MTA Section 304b(1)(g) which requires basic local exchange carriers to offer a rate that includes toll-free calling to contiguous Michigan local calling exchanges. Ameritech protests that this issue was not raised until post-hearing briefs and thus there is no record testimony or evidence to support it. The Administrative Law Judge agrees and rejects the argument for that reason.

Discovery Penalties

Complainants urge the Commission to discipline Ameritech for its failure to provide discovery in

this case in a timely fashion. They cite as authority Section 203 of the MTA which allows the Commission to investigate a complaint filed under the MTA as a contested case pursuant to the Administrative Procedures Act (APA), MCLA 24.201 et seq.; Section 74 of the APA which authorizes an agency to provide for discovery; Rule 317 of the Commission's Rules of Practice and Procedure which mandates that discovery shall be conducted in the same manner as in the circuit courts; Rule 319 which authorizes the presiding officer to compel production of items such as notes, documents and photographs; and Rule 321 which describes penalties the presiding officer may levy if a subpoena is not complied with. They further point out that MCR2.313 is the court rule applicable to enforcement of discovery rules. It includes as possible remedies dismissal of a proceeding or entry of a default judgement. Complainants point out that the Commission dismissed a complaint in Case No. U-9725, order issued April 30, 1991, based on the complainant's failure to submit discovery.

Complainants request the Commission to take into account that the tardiness with which Ameritech submitted discovery caused Complainants to be unable to adequately prepare their testimony. Furthermore, they request the Commission order reimbursement to them of expenses incurred in taking depositions in the amount of \$7,000, which Complainants contend is an economic loss pursuant to Section 601.

Ameritech responds that discovery orders were complied with; that the depositions taken by Complainants were of witnesses Complainants were aware of long prior to the hearing; and that the Commission has no authority to impose sanctions such as default or attorney fees under the MTA, the APA, the Court Rules or the Commission's Rules.

The Administrative Law Judge does not agree with Ameritech that the Commission may not impose a default remedy under Commission Rule 317 which incorporates the court rules on discovery.

However, she is not persuaded that default is the appropriate remedy in this situation. She believes Ameritech was tardy in providing discovery information, which should have been easily obtainable, regarding the economic benefit to Ameritech from the withdrawal of reverse billing. However, this issue was peripheral to the core issues in the case and, in any event, the case is disposed of in favor of Complainants.

The Administrative Law Judge does not agree with Ameritech's arguments that the Commission does not have authority under MTA section 601 to award attorney fees. This issue has been before the Commission recently, and the Commission has ruled that the statute allows the Commission to make whole those who have suffered economic loss due to a violation of the act. However, she does not agree with Complainants that an award of attorney fees associated with taking the depositions of witnesses Brohart, Devine and Bondy is appropriate. Such an award would be based not on a violation of the MTA but rather on a failure to provide timely discovery. In addition, it is not clear that the depositions needed to be taken just prior to the hearing, or with the urgency claimed by Complainants. Mr Devine and Ms. Bondy, at least, were known to Complainants long before the time of hearing. For these reasons she rejects Complainants' request for either a default judgement or for attorney fees in connection with discovery depositions.

IV.

CONCLUSION AND RECOMMENDATION

Based on her review of the evidence, the Administrative Law Judge concludes that Complainants have shown that reverse billing is integral to their interconnection with Ameritech; that withdrawal of reverse billing would be adverse to the public interest, a violation of existing Interconnection Agreements

between CMRS providers and Ameritech, and a violation of the Settlement Agreement in Case No. U-9269; and, that the Commission has the authority to require Ameritech to continue offering the reverse billing option to CMRS providers in Michigan in order to enhance competition. She recommends that the Commission grant Complainants the relief they seek except for their claim of relief for a default judgement or attorney fees associated with the discovery process in this case.

MICHIGAN PUBLIC SERVICE COMMISSION

Theodora M. Mace
Administrative Law Judge

June 23, 1998
Lansing, Michigan
dp

ISSUED AND SERVED: June 25, 1998

A P P E N D I X B:

MPSC OPINION AND ORDER, CASE NOS. U-11620 & U-11630

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the complaint of)	
CENTENNIAL CELLULAR CORPORATION)	
against AMERITECH MICHIGAN.)	Case No. U-11620
_____)	
)	
In the matter of the complaint of)	
CENTURY CELLUNET, INC., against)	
AMERITECH CORPORATION et al. regarding)	Case No. U-11630
Ameritech=s unilateral termination of Type 2A)	
interconnection with CMRS providers.)	
_____)	

At the August 5, 1998 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner

OPINION AND ORDER

On January 9, 1998, Centennial Cellular Corporation (Centennial) filed a complaint in Case No. U-11620 challenging Ameritech Michigan=s decision to withdraw reverse billing. On February 6, 1998, Century Cellunet, Inc., now CenturyTel Wireless, Inc., (Century) filed a similar complaint in Case No. U-11630. It also filed a motion to consolidate the two cases.

Administrative Law Judge Theodora M. Mace (ALJ) consolidated the complaints, presided over the hearings, and admitted the following intervenors: Thumb Cellular, AirTouch Cellular Inc.,

Trillium Cellular Corporation, and RFB Cellular, Inc.¹³ Evidentiary hearings were held on May 6 through 8, 1998. The record consists of 882 pages and 46 exhibits.

The parties filed briefs and reply briefs, after which the ALJ issued a Proposal for Decision (PFD) on June 25, 1998. Ameritech Michigan filed exceptions on July 2, 1998. Century and Thumb, Centennial, Trillium, RFB, and AirTouch filed replies to exceptions on July 10, 1998.

Reverse billing is an arrangement that permits a land line telephone customer to place a call to a cellular or pager customer without paying local or toll charges. Instead, the commercial mobile radio service (CMRS) provider pays Ameritech Michigan an access-like charge. The CMRS provider selects the exchanges in which this billing arrangement will be offered. The effect is to create large local calling areas, sometimes as large as an entire LATA, within which land line customers can place calls to CMRS customers without incurring any charges. The alternative is standard billing, under which Ameritech Michigan charges the land line calling party the customary local or toll charges. Neither arrangement directly affects the charges that the CMRS providers impose on their customers.

Reverse billing was first offered as a result of a settlement in Case No. U-9269. Ameritech Michigan has continued to offer it under Tariff M..P.S.C. No. 20R. In October 1997, Ameritech Michigan filed revised tariff sheets withdrawing reverse billing for new NXX codes and phasing out reverse billing for existing codes by December 31, 1998. Subsequently, it modified its position so that reverse billing will be available until the last interconnection agreement that provides for reverse billing has expired, April 9, 1999.

The complainants argue that Ameritech Michigan's withdrawal of reverse billing is a violation

¹³For simplicity, this order will use the term complainants as including the intervenors.

of their interconnection agreements; the settlement agreement in Case No. U-9269; the Michigan Telecommunications Act (MTA), MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; and the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the federal Act), 47 USC 151 et seq.

The Interconnection Agreements

The ALJ concluded that Ameritech Michigan had violated the interconnection agreements between Ameritech Michigan and the CMRS providers. She concluded that the language in the agreements incorporating the then existing access charges did not permit Ameritech Michigan to withdraw the reverse billing tariff, but only to change the tariffed rates. She also concluded that Ameritech Michigan had conceded this point by its decision not to withdraw reverse billing until the expiration of the last agreement that provides for reverse billing.

Ameritech Michigan excepts and argues that the interconnection agreements do not require it to continue offering reverse billing.

Because Ameritech Michigan has decided to offer reverse billing until the expiration of the last interconnection agreement that provides for reverse billing, the Commission need not decide whether the withdrawal of reverse billing would violate the interconnection agreements.

Case No. U-9269 Settlement Agreement

The complainants argue that the settlement agreement in Case No. U-9269, approved on March 9, 1989, prohibits Ameritech Michigan from withdrawing reverse billing or increasing the charges without filing an application and commencing a contested case. The ALJ agreed.

Ameritech Michigan excepts and argues that the agreement cannot reasonably be interpreted as requiring continued implementation of its provisions beyond the agreed term of two years. It

argues that, upon expiration of that term, it had the right to make changes by following the then existing regulatory processes. It asserts that, under current Michigan law, it need not seek Commission approval for the tariff changes that precipitated the complaints.

The Commission agrees. The complainants have not cited, and the Commission is not aware of, any provision of the MTA that supports their position that the settlement agreement continues in full force despite the passage of time and the enactment of a new statute or that a contested case is a prerequisite to a change in the tariff. In fact, given that the MTA does not rely on rate-base/rate-of-return regulation, it would be remarkable if the Legislature intended that one particular form of compensation (i.e., reverse billing) should alone be subject to traditional cost of service regulation in a contested case.

Violation of the MTA and the Federal Act

The complainants argue that the withdrawal of reverse billing is adverse to the public interest and that the Commission should therefore require Ameritech Michigan to continue to offer reverse billing. They rely on Section 205(2) of the MTA, which provides:

If the commission finds, after notice and hearing, that the quality, general availability, or conditions for the regulated service . . . is [sic] adverse to the public interest, the commission may require changes in how the telecommunications services are provided.

MCL 484.2205(2); MSA 22.1469(205)(2).

Ameritech Michigan argues that reverse billing is simply a billing option and therefore not a service, much less a regulated service. In particular, it asserts that reverse billing is not a form of interconnection within the meaning of that term in the MTA or the federal Act. It also asserts that reverse billing is inconsistent with the Federal Communications Commission's (FCC) reciprocal compensation paradigm, which does not permit local exchange carriers (LECs) to impose charges

on CMRS providers for calls that originate on the LECs' networks. It therefore concludes that it may, and probably must, withdraw reverse billing.

The ALJ concluded, under both the MTA and the federal Act, that interconnection includes both the physical link between providers and the rates, terms, and conditions of the interconnection. She concluded that a regulated service was at issue and that withdrawal of reverse billing is adverse to the public interest. She further concluded that the federal Act and the FCC's rules do not require Ameritech Michigan to withdraw reverse billing. She therefore recommended that the Commission require Ameritech Michigan to continue offering reverse billing.

Ameritech Michigan excepts and argues that neither the MTA nor the federal Act requires it to offer reverse billing because it is not a part of interconnection. It denies that a billing option such as reverse billing is interconnection within the meaning of the MTA because no particular billing option is necessary to permit the exchange of traffic. It also argues that the FCC has been clear that interconnection under the federal Act refers only to the physical linking of two networks and does not include billing arrangements. It denies that all subjects addressed by interconnection agreement, e.g., limitations of liability, are thereby transformed into interconnection.

Ameritech Michigan also argues that reverse billing is inconsistent with federal law. It does not assert that reverse billing is explicitly prohibited by any federal statute or rule, but argues only that recent FCC interpretations strongly suggest that reverse billing is fundamentally inconsistent with the reciprocal compensation policy of the federal Act. It also asserts that even if the parties can voluntarily agree to an arrangement under which a CMRS provider pays for LEC-originated traffic, it will not voluntarily agree to such arrangements.

As to the public interest effects of withdrawing reverse billing, Ameritech Michigan argues that land line customers are already subject to charges for calls to mobile telephones through

standard billing and calling party pays¹⁴ arrangements. Further, it says that customers have many reasons for purchasing cellular service and the withdrawal of reverse billing will not significantly alter those motivations. It also asserts that if reverse billing is required by the public interest, the Commission must address the fact that competitive local exchange carriers (CLECs) and GTE North Incorporated do not offer reverse billing. It denies that it will gain as much as \$100 million dollars per year in new toll revenues upon the withdrawal of reverse billing. It also denies that the withdrawal of reverse billing will lessen competition among CMRS providers.

The Commission concludes that reverse billing is a part of interconnection and, as such, subject to regulation. The MTA defines interconnection as the technical arrangements and other elements necessary to permit the connection between the switched networks of 2 or more providers to enable a telecommunications service originating on the network of 1 provider to terminate on the network of another provider. MCL 484.2102(k); MSA 22.1469(102)(k). Ameritech Michigan asserts that because a billing arrangement is not necessary to permit the physical exchange of traffic, reverse billing is not a part of interconnection. That argument ignores the language that defines interconnection as including the technical arrangements and other elements necessary. In addition, Ameritech Michigan has negotiated interconnection agreements with some of the complainants, as well as CLECs, and those agreements address more than the physical connection of the providers' systems. Furthermore, Article 3A of the MTA, MCL 484.2351 et seq.; MSA 22.1469(351) et seq., addresses interconnection, interconnection rates, joint marketing, service unbundling, resale, number portability, termination rates, directory

¹⁴ As relevant to this case, under calling party pays arrangements, the land line customer placing a call to a CMRS customer is required to pay the air time charges that would otherwise be paid by the CMRS customer.

assistance, attachment rates, imputation, and customer data bases. It is clear that the Legislature does not view interconnection as solely the physical connection of two networks. Finally, when CMRS providers have switched from reverse billing to standard billing, the transition has necessitated changes in the facilities used to carry the traffic. Under reverse billing, land-to-mobile traffic is routed over 2A trunks, and under standard billing, that traffic is routed over 2T trunks. 5 Tr. 262; Exhibit C-2, pp. 48, 49, 53. The choice of billing option has other effects on the interconnection between Ameritech Michigan and CMRS providers: network architecture, dialing requirements, and billing systems. 5 Tr. 487-488. Consequently, the Commission concludes that reverse billing, as part of interconnection, is subject to regulation.¹⁵

The Commission does not conclude that it should therefore order Ameritech Michigan to continue offering reverse billing. The complainants assert both that Ameritech Michigan must continue to offer reverse billing and that Ameritech Michigan cannot increase the rates associated with reverse billing above their current level. Section 205 addresses only one of those assertions--whether Ameritech Michigan can withdraw reverse billing as a part of its interconnection arrangements with CMRS providers. Section 205 does not address rates. Rather, it provides that the Commission may consider Athe quality, general availability, and conditions for the regulated service.≡ MCL 484.2205(2); MSA 22.1469(205)(2). In the context of the MTA, it seems likely that the omission of Arates≡ within the listed matters was not an oversight. In Section 101 of the MTA, MCL 484.2101; MSA 22.1469(101), the Legislature stated that the purpose of the act is,

¹⁵Even if Ameritech Michigan were correct that interconnection consists only of the physical arrangements necessary to connect two networks, both the MTA and the federal Act provide for the setting of rates for interconnection and provide regulation of those rates. See Article 3A of the MTA, supra, in particular Section 352, MCL 484.2352; MSA 22.1469(352); 47 USC 251(c)(2).

among other things, to streamline the process of setting and adjusting rates and to place greater reliance on competition. Throughout the act, the Legislature provided standards and procedures for setting rates for different services. It addressed the rates for interconnection principally in Section 352 of the MTA, MCL 484.2352; MSA 22.1469(352). It is unlikely that the Legislature intended that the Commission would then have the additional power to determine that a rate for a regulated service such as interconnection is adverse to the public interest and should be altered for that reason.

Procedurally, these complaints do not provide the opportunity for the Commission to determine the appropriate rates associated with reverse billing, and the record provides no basis for the Commission to do so. Thus, even if the Commission were to agree that the withdrawal of reverse billing is adverse to the public interest, the Commission would still need to address the question of the appropriate rates. If the record in a subsequent proceeding were to support a significant increase in the rates associated with reverse billing, the effect might well be the same as withdrawal of the billing option. In light of that uncertainty, the Commission does not find it necessary to determine whether the withdrawal of reverse billing would be adverse to the public interest.

The MTA and the federal Act provide a process for resolving issues related to rates, terms, and conditions of interconnection, first by negotiation among the parties and then by arbitration if necessary. The Commission finds no readily apparent reason that the availability and pricing of reverse billing should not be handled by that process. Consequently, the parties should be left initially to negotiate this issue.¹⁶

Remaining Issues

¹⁶These complainants have not satisfied the procedural requirements of the federal Act or the Commission's orders with respect to arbitration and consequently, contrary to Trillium's suggestion, this case cannot serve as an arbitration proceeding.

The complainants argue that the withdrawal of reverse billing creates an inferior connection, in violation of Section 305 of the MTA, and discriminates against them by failing to offer the functional equivalent of the originating access service that is offered to interexchange carriers, in violation of Section 251(c)(2) of the federal Act. The ALJ concluded that the record was insufficient to determine that the alternatives to reverse billing constitute an inferior quality of interconnection.

In its brief, Trillium argues that the withdrawal of reverse billing violates Section 304b(1)(g), which requires basic local exchange service providers to offer toll-free calling to contiguous exchanges. The ALJ concluded that the argument should be rejected because it was not raised on the record.

Finally, the ALJ denied the complainants' request for a default judgment, which was based on Ameritech Michigan's tardy responses to discovery, and their request for attorney fees to conduct three depositions, which they claimed Ameritech Michigan's conduct forced them to schedule shortly before the hearing.

There were no exceptions to these recommendations, and the Commission adopts the ALJ's conclusions as supported by the record and law.

Remedy

To the extent that the complainants seek an order that Ameritech Michigan must offer reverse billing indefinitely at no increase in rates, the complaints are denied. The complainants are entitled to an order that Ameritech Michigan may not refuse to negotiate the issue. Because the complainants have obtained little that they sought in their complaints, the Commission does not find an award of attorney fees or costs to be warranted. Finally, the parties have not proved any harm and are therefore not entitled to damages.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended by 1995 PA 216, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. The complainants are not entitled to an order requiring Ameritech Michigan to continue offering reverse billing or to do so at current rates.
- c. Reverse billing is a proper subject for negotiation in the context of interconnection agreements.

THEREFORE, IT IS ORDERED that the complaints of Centennial Cellular Corporation and CenturyTel Wireless, Inc., are dismissed with prejudice.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ John C. Shea
Commissioner

/s/ David A. Svanda
Commissioner

By its action of August 5, 1998.

/s/ Dorothy Wideman
Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of August 5, 1998.

Its Executive Secretary

In the matter of the complaint of)	
CENTENNIAL CELLULAR CORPORATION)	
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AMERITECH CORPORATION et al. regarding)	Case No. U-11630
Ameritech=s unilateral termination of Type 2A)	
interconnection with CMRS providers.)	
_____)	

Suggested Minute:

AA Adopt and issue order dated August 5, 1998 dismissing with prejudice the complaints of Centennial Cellular Corporation and CenturyTel Wireless, Inc., but concluding that reverse billing is a proper subject for negotiation in the context of interconnection agreements, as set forth in the order.≡